

opinion. For example, in the State of New Hampshire I know that we will be able to deliver better health care to our indigent, to our people who are in need of health care who qualify for Medicaid, and to the disabled, especially young mothers with children, mothers with young children, and our young men also, in a much more efficient and effective way with probably more dollars in those programs by having the State manage that program at the State level and not having it be a Federal program.

We have in our budget reform improved significantly and strengthened the Medicare Program. In fact, we have taken the Medicare Program—which is on the brink of bankruptcy, according to the Medicare trustees headed in that direction, and will be there by the year 2002, and will begin next year to spend more money than it takes in, and thus starts this death spiral toward bankruptcy—taking that program, reform it, strengthen it, and will be giving our seniors dramatic new choices which they do not have today for alternative forms of health care delivery while retaining their right, preserving their right, to continue in their pre-Medicare delivery system, if they wish it, with their present doctors.

That Medicare reform and strengthening is done in I think a way that is fairly consistent with what is happening in the private sector. It is using the marketplace, saying to the senior citizens of this country, "Listen, you should have the same choices those of us in Congress have. You should not be limited in your ability to choose other types of health care."

So we have put forward plans which I believe are very aggressive, very effective, and very positive in reforming Government, in downsizing the rate of growth of the Federal Government, and in delivering a balanced budget.

Why have we done this? Republicans recognize that, if you do not do something about the problems of this country in the area of the deficit, we are going to be driving this country into bankruptcy.

This chart reflects that fact. The red lines represent entitlement spending; the blue lines discretionary spending; and, the yellow line is interest on the Federal debt. You will note that the green line represents the revenues of the Federal Government. You will see from this chart that, if we continue on our present path with the present rate of growth as a Government, beginning in the year 2010 we will only have enough money as a Government to pay for interest on the Federal debt and entitlement spending. That means all spending such as defense spending, spending on education, and spending on the environment, we will not be able to afford.

Beginning in about the year 2017, we will only have enough money to pay for the entitlement spending of the Federal Government, which means we will

not be able to pay interest on the Federal debt.

What does that mean? That means we end up like Mexico was about a year and a half ago. We will be insolvent as a nation. We will have passed on to our children a country that is essentially bankrupt. It is not fair, not right, not appropriate, and it is not something this Congress is going to allow happen. That is why, as Republicans, we came forward with this rather dramatic idea of balancing the budget, and we delivered on it. We have produced a budget that is in balance.

However, the issue is, has the President done the same thing? Has he been a substantive player in this process? Has he contributed to it? That is the issue raised earlier today by the Senator from Pennsylvania when he suggested a sense-of-the-Senate resolution which would basically allow the other side, if they felt confident in the President's numbers, to put forward the President's budget and say, all right, we stand by the President's budget as an approach to balancing the budget.

I have not heard anyone from the other side of the aisle take up the Senator from Pennsylvania on that issue, and I do not expect we will because, as a practical matter, the President has not come forward with anything that reflects any type of a balanced budget.

CBO, which is the fair arbiter of scoring in this institution, and which the President designated as the fair arbiter of scoring at the beginning of his term in office in his first address to the joint session of the Congress, has calculated that the President's budget as sent up in February was out of balance by at least \$200 billion per year as far as the eye could see, adding \$1 trillion of new debt to the backs of our children over the next 7 years, and that his most recent submission, which was not sent up in budget form but was sent up basically in outline form, is also entirely out of balance and does not accomplish any sort of cloture on the deficit over that same timeframe of 10 years, which he professes as being the period when we should be balancing the budget. And so there is no proposal on the table from this administration which would lead us to a balanced budget.

That gets to the core of the issue. When you hear from the other side of the aisle, as we heard earlier today from the Senator from North Dakota and the Senator from California and the Senator from Minnesota, that our budget is insensitive, that we are not caring, that we are dastardly individuals on this side for trying to balance the budget because it impacts this group or that group—many of which representations, by the way, were inaccurate, especially in reference to the WIC Program—but when you hear those allegations, you have to ask yourself, what is the true insensitivity and unfairness in this country today? Is it not really that we as a generation, our generation—I am talking now about the postwar baby-boom genera-

tion, the Bill Clinton generation, of which I happen to be a member—is running up a huge debt for our day-to-day expenses, for expenses which we incur and enjoy the fruits of today but are not willing to pay for today, that we are taking that bill and passing it on to our children?

Is not the true injustice that is occurring today to the people of this country, and especially to the children of this country and to the next generation of this country, that if we continue on our present course we will be the first, the first generation in the history of this great and wonderful country—now, again I am referring to the postwar baby-boom generation—the first generation to pass on less to our children than was passed on to us by our elders.

That is the true insensitivity, and so we have addressed it, and we have addressed it in a very positive way, I believe.

Mr. President, I would simply conclude my remarks by saying that I believe the President of the United States has an obligation to engage in this process substantively rather than politically. He has engaged very well politically. There is no question about that. He has managed to go to almost every interest group in this country, including one group in the Midwest, to this group in the South, to that group in the West, far West, and represent that he is on their side in this budget issue.

I suggest that he come to the Congress and make specific proposals which do lead to a balanced budget rather than proposals which are simply structured for his reelection campaign. If he were to come to this Congress with proposals which would lead to a balanced budget, which were substantive, where he actually put on the table a budget with numbers balanced by CBO, we could close this matter rather quickly and, as a result, pass a better opportunity for a good life to our children, which is our primary obligation as Members of the Senate.

I notice the Senator from Louisiana has some guests present, and I would be happy to pause in my comments and in fact yield back my time so that the Senator from Louisiana can introduce his guests.

Mr. JOHNSTON addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I thank my distinguished friend.

VISIT TO THE SENATE OF THE PRESIDENT AND FIRST LADY OF MONGOLIA

Mr. JOHNSTON. Mr. President, on behalf of Senator HATFIELD and myself, I would like to introduce to the Senate the distinguished President of Mongolia, President Ochirbat and the First Lady, First Lady Tsevelmaa. Mr. Ochirbat is not only President of Mongolia, but he is generally credited with

being the architect of democracy in Mongolia.

Senator HATFIELD and I, and a number of other United States Senators, had the great pleasure and honor of going to Mongolia in August of this year, and frankly we were overwhelmed not only with the friendship extended to us but with the importance of this country, its strategic location in Asia and its friendship toward America.

So we welcome the President of Mongolia and the First Lady, and look forward to many years of friendship with the President and his great country.

[Applause, Senators rising.]

EXTENSION OF MORNING BUSINESS

Mr. HOLLINGS addressed the Chair. The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I ask consent that morning business be extended for another 20 minutes and I be recognized for that period.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. I thank the distinguished Chair.

TREATMENT OF THE DEFICIT

Mr. HOLLINGS. Mr. President, I want to touch on an article in the morning news relative to how we have historically dealt with the problem of budget deficits. But first, let me touch on the point raised by my distinguished colleague from New Hampshire relative to the Congressional Budget Office's scoring of the Republican budget as balanced. I hope everyone within the sound of my ears and the view of this particular C-SPAN coverage will look at the RECORD. Yes, on the day before yesterday, on October 18—and you will find it in your CONGRESSIONAL RECORD at page 15263—a letter was included in the RECORD from the Director of the Congressional Budget Office doing exactly as the distinguished Senator from New Hampshire claimed. CBO said that not only was the GOP budget in balance but that by the year 2002, there would be a \$10 billion surplus.

That was day before yesterday. On yesterday, October 19, if you please, Mr. President, another letter was sent from CBO to Senators CONRAD and DORGAN. I ask unanimous consent at this particular point that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, October 19, 1995.

Hon. KENT CONRAD,
U.S. Senate, Washington, DC.

DEAR SENATOR: Pursuant to Section 205(a) of the budget resolution for fiscal year 1996 (H. Con. Res. 67), the Congressional Budget Office yesterday provided the Chairman of the Senate Budget Committee with a projec-

tion of the budget deficits or surpluses that would result from enactment of the reconciliation legislation submitted to the Budget Committee. As specified in section 205(a), CBO provided projections (using the economic and technical assumptions underlying the budget resolution and assuming the level of discretionary spending specified in that resolution) of the deficit or surplus of the total budget—that is, the deficit or surplus resulting from all budgetary transactions of the federal government, including Social Security and Postal Service spending and receipts that are designated as off-budget transactions. As stated in the letter to Chairman Domenici, CBO projected that there will be a total-budget surplus of \$10 billion in 2002. Excluding an estimated off-budget surplus of \$108 billion in 2002 from the calculation, CBO would project an on-budget deficit of \$98 billion in 2002.

If you wish further details on this projection, we will be pleased to provide them. The staff contact is Jim Horney, who can be reached at 226-2880.

Sincerely,

JUNE E. O'NEILL.

Mr. HOLLINGS. I thank the distinguished Chair. Let me just highlight the pertinent part:

As specified in section 205(a), CBO provided projections on spending specified in that resolution of the deficit or surplus of the total budget, that is, the deficit or surplus resulting from all budgetary transactions of the Federal Government, including Social Security and Postal Service spending and receipts that are designated as off-budget transactions.

As stated in the letter to Chairman Domenici, CBO projected that there will be a total budget surplus of \$10 billion in 2002. Excluding an estimated off-budget surplus of \$108 billion in 2002 from the calculation, CBO would project an on-budget deficit of \$98 billion.

So, unlike 2 days ago, when the CBO scored the GOP budget as having a \$10 billion surplus in the seventh year, yesterday CBO scored it as leaving us with a \$98 billion deficit. It piqued my interest because the CBO used the expression in the letter to Senator CONRAD "including Social Security and Postal Service spending and receipts."

What bothers me about that clause is that, this Senator, along with my distinguished colleague from Pennsylvania, the former Senator John Heinz, co-sponsored an amendment that passed the Congress and was enacted by the President—namely, section 13301 of the Congressional Budget Act, which orders that Social Security funds shall not be used in citing in deficits or surpluses of the Government. That particular section puts Social Security off budget and in trust.

But today we learn that a mistake was made over at CBO. In considering the size of the Social Security surplus in the year 2002, they did not catch the fact that the Finance Committee had banked on a small change in the CPI, otherwise known as the Consumer Price Index. In turn, a reduction in the CPI reduces the amount of cost-of-living adjustments paid to Social Security recipients.

Under the law, this change in Social Security payments does not divert money to lower the deficit or to fund

the general budget. Instead, if you save money in Social Security, the money merely adds to the surpluses in the Social Security trust fund.

Right now, Mr. President, we have a surplus of \$481 billion in Social Security. We have a surplus in Medicare of \$147 billion. And instead of recognizing that fact, we run around knocking over desks to get on TV and carry on about things that will happen 7 years from now for Medicare, 30 years from now with Social Security. What we don't do is to pay attention to the crisis that is happening right this minute.

And that brings me to the morning editorial by our friend, Mr. J. W. Anderson of the editorial staff of the Washington Post.

I ask unanimous consent that the editorial in its entirety, entitled "This Is Leadership?" be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Oct. 20, 1995]

THIS IS LEADERSHIP?—SINCE 1973, THE DEFICIT HAS BEEN CENTRAL TO AMERICAN POLITICS

(By J.W. Anderson)

President Clinton's repudiation of his 1993 tax increase, followed by his ungainly scramble to repudiate the repudiation, has inflicted a severe injury on himself and his party. It becomes increasingly difficult to know exactly what he stands for.

His first budget with its tax increase and its attack on the deficit is arguably the bravest, and certainly the most useful, of his accomplishments as president. Now, alas, he's running after the Republicans' tax-cut bandwagon and throwing the best of his own record into doubt. But it's not unprecedented. President Bush, running for reelection in 1992, repudiated the tax increase that he had accepted in the very constructive budget compromise of 1990.

This country seems to be going through a series of presidencies eroded and diminished by the savage politics of intractable budget quarrels. How long will it continue? It's hard to say. The process has been going on for more than 20 years, and progress has been slow.

The origins of today's budget fights lie in the pivotal year 1973—the year that the great postwar boom ended.

For a quarter of a century, from the late 1940s into the early 1970s, standards of living improved faster than ever before in history. It happened throughout the world, but most spectacularly in the developed industrial democracies. As the long boom continued, governments began to think that they had at last solved the mysteries of economic growth and that they now knew how to keep their economies expanding steadily and rapidly.

The only question was the pleasant one of how best to spend the flood of wealth, private and public, that this boom was generating. Most of the democracies decided to put much of the new revenues into new and expanded social benefits—mainly pensions for the elderly and health care. In those years here in the United States, Medicare and Medicaid were enacted, and Social Security was greatly increased. In Western Europe, where the war years had created a hunger for security beyond anything in the American tradition, this expansion of benefits went much farther.

Then, in 1973, the boom suddenly ended. Economic historians still aren't quite sure